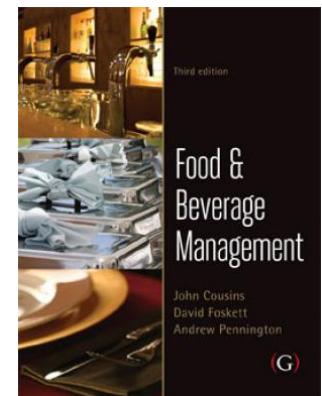




# Food and Beverage Management

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## Food and Beverage Operations and Management



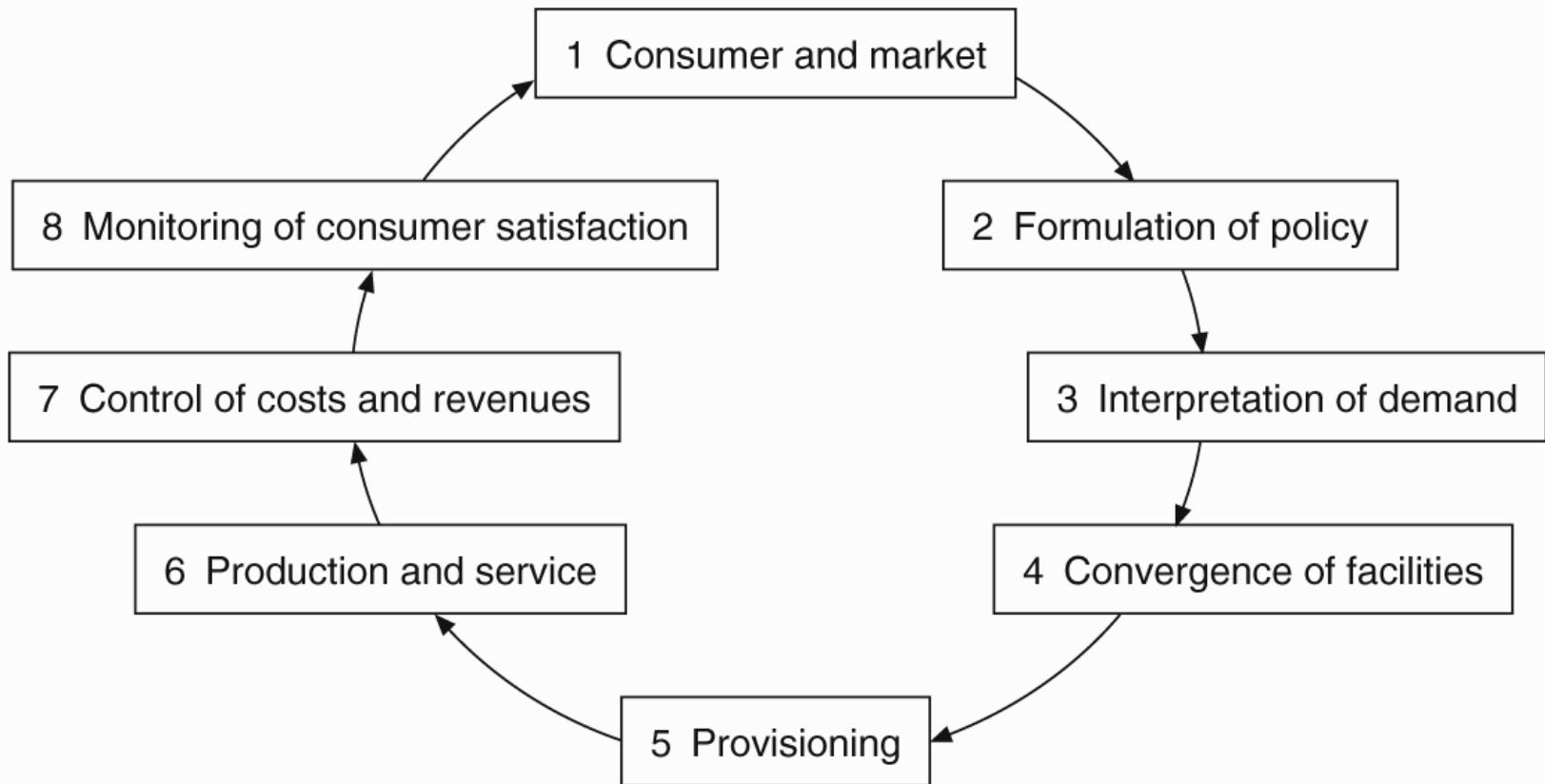


# Food and beverages

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- **Food:** includes a wide range of styles and cuisine types
- **Beverages:** includes all alcoholic and non-alcoholic drinks, cold and hot

# The foodservice cycle



Source: Cracknell, H.L. and Kaufmann, R.J., 2002, Practical Professional Catering Management, 2nd edn, Thomson Learning Vocational



# The foodservice cycle

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- Can be used as a basis (framework) to analyse and compare different foodservice operations
- Can be used to help understand how an individual operation works:
  - Difficulties in one element of the cycle will cause difficulties in the elements that follow
  - Difficulties experienced in one element of the cycle will have their causes in preceding elements

# Structure of the book



Based on the foodservice cycle



# Systems approach

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- Two dimensions:
  - Systematic approach to the design, planning and control of a food and beverage operation
  - The management of the operating systems within a food and beverage operation



# Comparison of traditional and systems approaches

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## Traditional approach

Based on assumptions of linearity in the marketplace  
Depends on the experience of key people  
Information not readily available  
Intuitive  
Reactive in nature  
Service driven  
Vulnerable to turnover of key people  
Weak in accountability

## Systems approach

Sensitive to changes in business conditions  
Depends on staff experience and good data  
Information available as needed  
Quantitative  
Proactive in nature  
Cost and service driven  
Less vulnerable to turnover of key people  
Strong in accountability

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*Source:* Developed from Records and Glennie (1991)



# Management of operations

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- Concerned with:
  - The management of materials
  - The management of information
  - The management of people (customers)

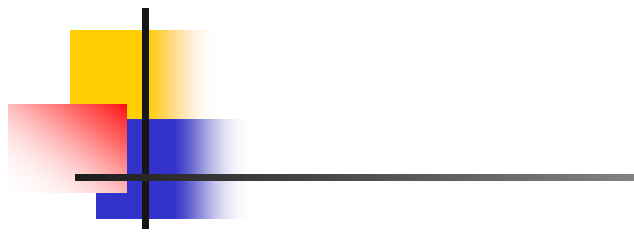




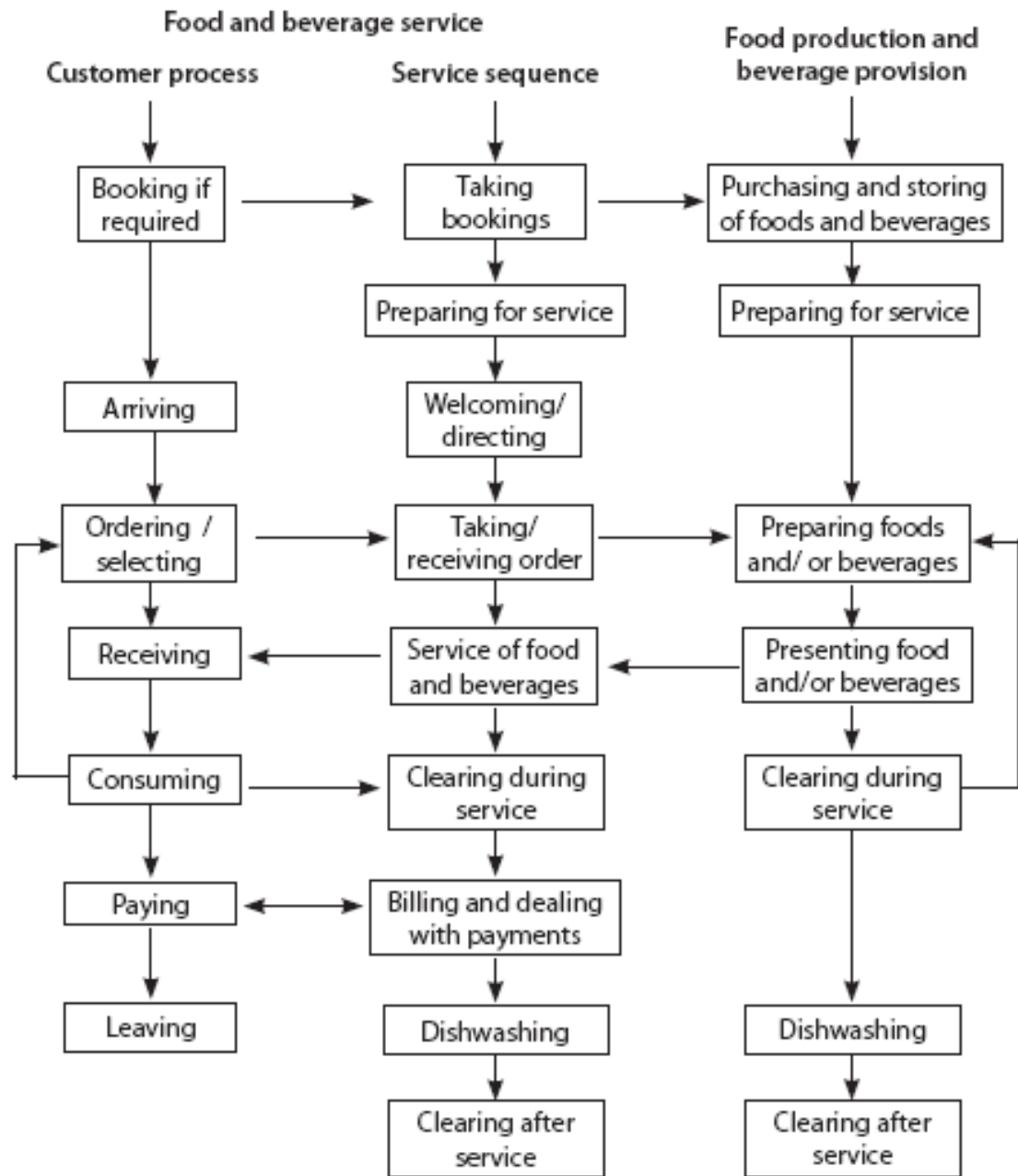
# Four systems for foodservice

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1. Food production
2. Beverage provision
3. Delivery or the 'service sequence'
4. Customer management or the 'customer process'



# Interrelationship of the four systems of a food service operation





# Dimensions of the hospitality industry's product

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1. Intangibility
2. Perishability
3. Variability of output
4. Simultaneous production and consumption
5. Ease of duplication
6. Heterogeneity
7. Demand variation
8. Difficulty of comparison



# Sectors of the industry

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- Hotels and other tourist accommodation
- Restaurants, popular catering, fast food, takeaway
- Retail stores
- Events/banqueting/conferencing/exhibitions
- Leisure attractions
- Motorway service stations
- Industrial catering
- Welfare catering
- Licensed trade
- Transport catering
- Outdoor catering (off-premises catering)



# Variables in foodservice sectors

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- Historical background
- Reasons for customer demand
- Size of sector
- Policies: financial, marketing, catering
- Interpretation of demand/catering concept
- Technological development
- Influences / State of sector development
- Primary/secondary activity
- Types of outlets
- Profit orientation/cost provision
- Public/private ownership



# Profit and cost markets

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- **Profit market** - includes hotels, commercial restaurants, pubs, fast food and leisure outlets
- **Cost market** - includes catering in business and industry, education, healthcare and the armed forces



# Summary of foodservice sectors

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Profit orientated

(public or private ownership)

(foodservice as main or secondary activity)



Restricted market

Transport catering

Clubs

Industrial (contract)

Private welfare

General market

Hotels/restaurants

Popular catering

Fast food/takeaway

Retail stores

Events/conferences/exhibitions

Leisure attractions

Motorway service stations

Pubs and wine bars

ODC (off-premises catering)

Cost provision

Restricted market

Institutional catering

Schools

Universities and colleges

Hospitals

Armed forces

Prisons

Industrial (in-house)



# Types of market

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- General market
  - Non-captive: customers have a full choice
- Restricted market
  - Captive: customers have no choice
  - Semi-captive: customers have a choice before choosing but then have little choice of food and drink other than that on offer





# Customer is central

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- To the process and as an active participant within it
- Understanding the customer is critical to the business success of foodservice operations



# Different foodservice operations

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- Are designed for the:
  - Needs people have at a particular time
  - Rather than for the type of people they are
- The same customer can:
  - Be business customer during the week
  - A member of a family at the weekend
  - Wanting a quick lunch or snack while travelling
  - Be organising a special event



## Main aim

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- To achieve customer satisfaction
- By meeting the customers' needs:
  - Physiological
  - Economic
  - Social
  - Psychological
  - Convenience
- Customers may want to satisfy some or all of these needs



## Reasons for a customer's choice:

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- Often determine the customer's satisfaction or dissatisfaction
- Dissatisfaction can come from:
  - Aspects of the food and beverage operation
  - Aspects beyond the operation's control
- Either way the operation has to deal with it



# Potential dissatisfactions

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- **Controllable by the establishment**  
e.g. scruffy, unhelpful staff, cramped conditions
- **Uncontrollable**  
e.g. behaviour of other customers, the weather, transport problems



# Product augmentation

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- **The core** of the product
  - The food and drink provision
- **The tangible** elements of the product
  - The methods of delivery
- **Augmentation** of the product
  - Takes into account the complete package
  - Competition mostly takes place at the augmented level



# Reasons for eating out

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- Convenience
- Variety
- Labour
- Status
- Culture / tradition
- Impulse
- No choice



# Meal experience factors

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- Food and drink on offer
- Level of service
- Level of cleanliness and hygiene
- Perceived value for money and price
- Atmosphere of the establishment





# The business environment

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- **P** Political
- **E** Economic
- **S** Socio-cultural
- **T** Technological
- **L** Legal
- **E** Ecological



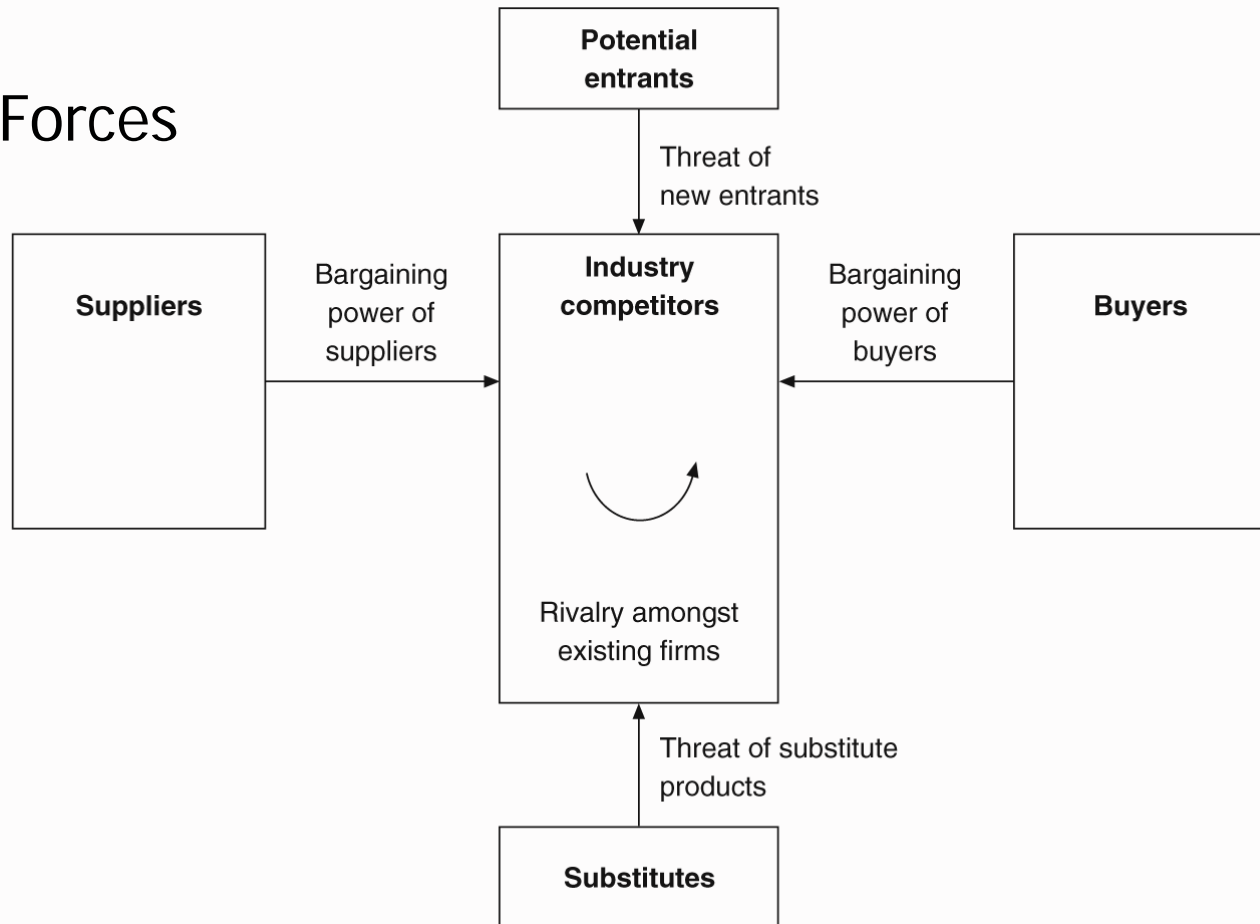
## Key influences

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- Social trends/lifestyle
- Amount of disposable income
- Inflation/stagnation
- Available credit
- Cultural factors
- Regulation – taxation, VAT, tourism
- Media – television, advertising, magazines, celebrity chefs

# The micro-environment

## Porter's Five Forces



Adapted from Porter 2004



## Legal framework includes:

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- Health, safety and security
- Licensing framework
- Selling goods by weights and measures
- Contracts
- Selling good by description
- Avoiding discrimination
- Providing services
- Customer property and customer debt
- Data protection



# Important of compliance

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- Penalties for non-compliance can be severe, both for the business and for the management and staff
- Important that all members of staff contribute to ensuring compliance



# Health, safety and security

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- Duty to care for all staff and lawful visitors and must not:
  - Sell (or keep for sale) food and beverages that are unfit for people to eat
  - Cause food or beverages to be dangerous to health
  - Sell food or beverages that are not what the customer is entitled to expect, in terms of content or quality
  - Describe or present food in a way that is false or misleading



# Health, safety and security

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- A foodservice operator must be able to demonstrate that steps have been taken to ensure good food hygiene (due diligence)



# Licensing framework

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- Four key objectives:
  1. the prevention of crime and disorder
  2. public safety
  3. the prevention of public nuisance
  4. the protection of children from harm





## Requirements include:

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- Display of a summary of the premises licence
- Drinks price lists to be displayed
- Restrictions on under-aged persons being served alcohol and employed to serve alcohol
- The need for an authorised person (or the personal licence holder) to be on site at all times



## Other types of licences include:

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- Music (live or pre-recorded)
- Dancing
- Gambling
- Theatrical performance and television display
- Supervisor and the staff should be aware of the provisions and limitations of the licences to ensure compliance



# Selling goods by weights and measures

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- Generally requires
  - Display of the prices and the measures used for all alcohol served
  - The food and beverage items for sale to be of the quantity and quality demanded by the customer
  - The use of officially stamped measures



# Contract

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- Made when one party agrees to the terms of an offer made by another party; this can be written or verbal
- All foodservice establishments should be clear on:
  - circumstances where the operation may seek compensation from the customer
  - taking care when dealing with minors (persons under 18)



# Selling goods by description

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- All food, beverages and other services provided must be:
  - fit for purpose and of satisfactory quality in relation to price and description
  - accurately described in terms of size, quality, composition, production, quantity and standard



And:

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- All statements of price must be clear and accurate
- Food, beverages and other services correspond to their description
- Times, dates, locations and nature of service are as promised
- Billing is fair, transparent and reflects the prices quoted



## To ensure compliance:

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- Take care when:
  - wording menus and wine lists
  - describing items to customers
  - stating if prices include local and/or government taxes
  - describing conditions such as cover charges, service charges or extras
  - describing the service provision



# Avoiding discrimination

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- Acts relating to discrimination on grounds of ethnic origin, race, creed, sex or disability
- Three types of discrimination:
  - Direct discrimination
  - Indirect discrimination
  - Discrimination through victimisation





# Providing services

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- Generally no specific requirement to serve anyone
- Important to be aware of:
  - Circumstances where there may be a mandatory requirement to provide services
  - Valid reasons for refusal



# Customer property and debt

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- Good practice to ensure:
  - care is taken of customers' property in order to minimise potential loss or damage
  - clear guidance on the procedures to follow if the customer is unable or unwilling to pay



# Data protection

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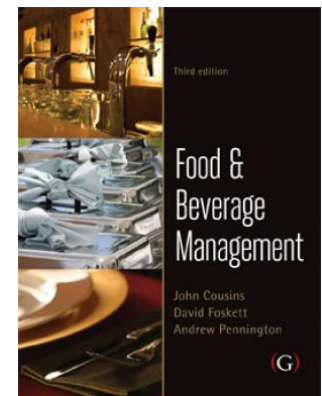
- Customers right to expect that data about them is:
  - kept secure
  - only used for the published business purposes
- Operations must ensure data is:
  - Kept up to date, fairly, lawfully and securely
  - Not passed on to third parties without prior consent
  - And that staff are aware of required procedures



# Food and Beverage Management

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## Food and Beverage Service





## Key requirements for staff:

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- Sound product knowledge
- Well developed interpersonal skills
- A range of technical skills
- An ability to work as part of a team



# Food and beverage service

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- Consists of two separate sub-systems operating at the same time
  1. The *service sequence* – primarily concerned with the delivery of the food and beverages to the customer
  2. The *customer process* – concerned with the experience the customer undertakes



# The service sequence

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## Eleven or more stages:

1. Preparation for service
2. Taking bookings
3. Greeting, seating/directing
4. Taking food and beverage orders
5. Serving of food
6. Serving beverages
7. Clearing during service
8. Billing
9. Dealing with payments
10. Dishwashing
11. Clearing following service



# The customer process

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- The customer is required to undertake or observe certain requirements
- For example:
  - Customer enters a foodservice area
  - Orders or selects choice and is served (may pay either at this point or later)
  - Food and beverages are then consumed, customer leaves and area is cleared





# Categorising service methods

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- When viewing food and beverage service from a *customer process* perspective, five basic types of customer process can be identified



# Simple categorisation of the *customer process*

Service method	Service area	Ordering/selection	Service	Dining/consumption	Clearing
Table service	Customer enters and is seated	From menu	By staff to customer	At laid cover	By staff
Assisted service	Customer enters and is usually seated	From menu, buffet or passed trays	Combination of both staff and customer	Usually at laid cover	By staff
Self-service	Customer enters	Customer selects items onto a tray	Customer carries	Dining area or take away	Various
Single point service	Customer enters	Orders at single point	Customer carries	Dining area or take away	Various
Specialised or in situ service	Where the customer is located	From menu or predetermined	Brought to the customer	Served where the customer is located	By staff or customer clearing



## The five *customer processes*

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- A. Service at a laid cover
- B. Assisted service – part service at a laid cover and part self-service
- C. Self service
- D. Service at a single point (ordering, receipt of order and payment)
- E. Specialised service or service in situ



## *Group A -Table service:*

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- The customer is served at a laid cover
- Includes:
  - Silver/English
  - Family
  - Plate/American
  - Butler/French
  - Russian
  - Guéridon
- Also found on bar counters



## *Group B - Assisted service:*

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- Customer served part of the meal at a table and is required to obtain part through self-service (for example in a carvery-type operation)



## *Group C - Self-service:*

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- The customer is required to help him or herself from a buffet or counter
- Counters can be:
  - Straight line counter with payment point at end
  - Free-flow - customers move at will to random service points
  - Echelon – series of counters at angles to save space
  - Supermarket - Island service points within a free-flow area



## *Group D - Single point service:*

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- The customer orders, pays and receives the food and beverages at a counter:
  - At take away; fast food; drive thru; kiosk; food court, vending machine
  - At a bar in licensed premises



## *Group E - Specialised service (or service in situ):*

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- The food and beverage is taken to where the customer is
- Includes: tray service in hospitals, hotels or aircraft, trolley service, home delivery, lounge service, room service and drive-in





# Changing service methods

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- In groups A to D the *customer process* is similar for each of the service methods within the same group
- Changing between service methods in the same group does not fundamentally alter the *customer process*
- Changing service methods between groups alters the *customer process*
- Group E has a specialised set of requirements



# Providing customer service

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- A combination of five characteristics:
  1. Service level
  2. Service availability
  3. Level of standards
  4. Service reliability
  5. Service flexibility
  
- The 'customer service specification' must take account of all of these



# Level of service: standards of service

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- Level of service
  - very limited to complex with high levels of personal attention
- Standards of service
  - measure of how well the operation delivers the service level it is offering



# Ensuring customer service

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- Written statements of both:
  - Technical specification
    - physical characteristics of the products
  - Service specification
    - procedures and the way they are carried out
- Often called a 'customer service specification'
- Need for balance between maintaining customer service and resource productivity

# Customer service versus resource productivity

## Customer service

Level  
Availability  
Standards  
Reliability  
Flexibility



## Resource productivity

Labour  
Facilities  
Materials



# Ensuring good customer relations

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- Maintain good interpersonal relationships between the customer and food and beverage service staff
- Maintain good interpersonal relationships between service staff and other departments (internal customers)



# Managing volume

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- Includes consideration of
  - Measuring capacity
  - Volume and service organisation
  - Increasing throughput
  - Limiting demand
  - Using queues
  - Special considerations for banquet/function operations



# Seating consumption times

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<b>Operation</b>	<b>Consumption time (minutes)</b>
Restaurant	60–120
Carvery	45–90
Popular catering	30–60
Cafeteria	15–40
Wine bar	30–60
Pub (food)	30–60
Takeaway with seating	20–40
Fast food with seating	10–20





# Queue considerations

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- Unfair versus a fair wait
- Uncomfortable versus a comfortable wait
- Unexplained versus an explained wait
- Unexpected versus an expected wait
- Unoccupied versus an occupied wait
- Initial versus a subsequent wait
- Anxious versus calm wait
- Individual versus a group waiting
- Valuable service versus less valuable service
- New or infrequent users versus regular users



# Sales promotion

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- Offering short-term incentives designed to change the buying habits of customers and increase the revenue of the operation
- Sales promotions are geared to directly encourage the customer to purchase, often through short-term improvements in the cost–value ratio



# Sales tactics

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- Never discount
- Package
- Special promotions
- Seek customer loyalty
- Concentrate on value
- Reposition
- Cash profit maximisation



# Merchandising activities

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- Marketing
- Advertising
- Point-of-sale selling
- Aimed at improving profitability
- Staff recognition of customer needs
- Using design
- Making the customer feel distinctive and unique
- Making customer feel valued and encouraging loyalty
- Achieving customer satisfaction



# Personal selling

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- Staff should be able to:
  - Describe the food, wines and drinks on offer in an informative and appealing way
  - Use opportunities to promote specific items or deals when taking customer orders
  - Seek information in a way that promotes sales (e.g. asking *which* sweet is required rather than *if* a sweet is required)
  - Provide a competent service
  - Seek customers' views



# Booking information

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- Basic information is the same regardless of how the bookings are taken. This includes:
  - Day and date
  - Name of the customer
  - Customer's telephone number
  - Number of covers required
  - Time of the event – arrival
  - Special requirements
  - Signature/record of the person taking the booking in case of any queries



# Larger party bookings

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- For larger party booking there will often be different procedures. This may include:
  - Set meal and beverages
  - How billing is to be done
  - Requirement for a deposit
  - Seating plan
  - Deadline for confirmation of final numbers



# Order taking methods

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- Main methods are:
  - Triplicate
  - Duplicate
  - Service with order
  - Pre-ordered
- All order taking methods are based upon these four basic concepts





# Taking or receiving customer orders

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- Servers can:
  - Record orders can be written on check pads
  - Key them in on handheld terminals
- Customers can:
  - Hand write orders
  - Use electronic systems such as iPads or other touch screens
  - Use interactive tabletop projection systems



# Additional requirements

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- Each establishment will have own system for indicating:
  - Which customer is having what item
  - A follow on order
  - Supplement (additional) order for same course
  - Returned food and replacement order
  - Accident replacement order



# Essential knowledge

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- Server must know what they are serving
- And the service requirements
- Enables the server to advise the customer on:
  - the content of dishes
  - the methods used in making the dishes
  - the accompaniments offered



# Service conventions

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- Traditional ways of doing things
- Have proved to be effective and efficient
- Ensure standardisation in the service
- Each establishment may be slightly different
- But essential all staff know and follow the same ones



# Personal service conventions

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- Always work as part of a team
- Work hygienically and safely
- Pass other members of staff by moving to the right



# Service preparation conventions

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- Use checklists for preparation tasks
- Prepare service areas in sequence
- Hold glasses or cups at the base or by the handle
- Hold cutlery in the middle at the sides between the thumb and forefinger



# Order taking conventions

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- Take food, wine and drink orders through hosts
- Use order notation techniques
- Be aware of customers who may have additional needs



# General service conventions

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- Avoid leaning over customers
- Use underplates (liners)
- Use service salvers or service plates
- Hold flats, food dishes and round trays on the palm of the hand





## Conventions when serving

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- Serve cold food before hot food
- Serve wine/drinks before food
- Start service from the right hand side of the host, with the host last
- Serve women first



# Conventions when serving

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- Silver serve food from the left
- Serve plated foods from the right
- Serve all beverages from the right
- Clear from the right



# Conventions for general working

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- Use trays
- Separate tasks of:
  - serving at table
  - food/drink collection
  - sideboard/workstation clearing
- Use checklists for tasks required for clearing after service



# Billing methods

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- Bill as check
- Separate bill
- Bill with order
- Pre-paid
- Voucher
- No charge
- Deferred (charged to account)



# Clearing methods

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- Four main methods:
  - Manual
  - Semi-self-clear
  - Self-clear
  - Self-clear and strip



# Dishwashing methods

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- Manual
- Semi-automatic
- Automatic conveyor
- Flight conveyor
- Deferred wash



# Purpose of a revenue control system

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- Monitors where selling takes place
- Activities include:
  - Efficient control of all food and beverage items issued
  - Reduction of pilfering and keeping wastage to a minimum
  - Ensuring bills are correct and proper payment is made and accounted for
  - Provision of management information



# Systems for revenue control

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- Manual systems
- Pre-checking system
- Electronic cash registers
- Electronic point of sale (EPOS) control systems
- Computerised systems
- Satellite stations





# Performance measures

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- Information collected during the revenue control phase includes:
  - sales mix
  - gross profit
  - cost percentages
  - seat turnover
  - sales per staff member
  - sales per seat and sales per area



## Example malpractices:

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- Dilution of liquor
- Short measures
- Overcharging of customers
- Undercharging of friends
- Management pilferage
- Kickbacks to managers
- Cash registers taken off line
- Utilising differentiated gross profit percentages